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# CURRENT INTELLIGENCE WEEKLY SUMMARY



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# CURRENT INTELLIGENCE WEEKLY SUMMARY

22 December 1955

## THE WEEK IN BRIEF

### PART I

#### OF IMMEDIATE INTEREST

#### INDONESIAN CRISIS . . . . . Page 1

President Sukarno is apparently determined to bring about the fall of Prime Minister Harahap's Masjumi cabinet. He is giving strong support to Air Force Chief of Staff Suryadarma, who engineered a show of arms by air force personnel on 14 December to prevent the installation of a new Harahap appointee as deputy chief of staff. Harahap's position may have been further weakened by the 15 December constituent assembly elections; early returns show the Masjumi party running poorly. [REDACTED]

25X1

#### FRENCH ELECTION . . . . . Page 2

In the campaign for the 2 January French election, no group appears thus far to be showing significant gains in support. The numerous candidates and alliances for the 2 January election and the similarity of the programs cloud the issues. State aid to church schools is the only clear issue separating the two non-Communist blocs. [REDACTED]

25X1

#### CYPRUS . . . . . Page 3

Terrorism continues on Cyprus as Greece seeks a more explicit promise of self-determination than that of Britain's latest formula for a provisional settlement. Twelve British soldiers have been killed recently and three Americans were injured on 18 December by a bomb tossed into a Nicosia apartment house dining room. [REDACTED]

25X1

#### ARAB-ISRAELI SITUATION . . . . . Page 3

The Syrian-Israeli frontier remains tense. There have been minor incidents on the Egyptian-Israeli border. UN truce chief General Burns appears to have made little progress in bringing Israel and Egypt to any agreement on truce proposals for the border regions of Gaza and El Auja. The Israeli "package" compromise publicized on 19 December as an inducement for Egypt and the other Arab states to negotiate peace settlements with Israel contained no new elements, and is certain to be rejected by the Arabs. [REDACTED]

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SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

22 December 1955

JORDAN AND THE BAGHDAD PACT . . . . . Page 4

The resignation of Jordan's Majali cabinet on 20 December is a setback for the British drive to engineer Jordan's adherence to the Baghdad pact. The caretaker government of "elder statesman" Hashim, head of the Senate, has promised to take no action on the pact pending the outcome of the parliamentary elections to be held within four months. [REDACTED]

25X1

POSTPONEMENT OF  
SUPREME SOVIET SESSION . . . . . Page 4

The postponement of the USSR Supreme Soviet session from 23 December to 26 December may indicate that a plenum of the party central committee is convening during the intervening period. The calling of the central committee into session at this time could mean that there are disagreements within the party presidium over foreign and domestic policies. The Soviet budget for 1946 and the Khrushchev-Bulganin trip to South Asia are possible subjects of controversy. [REDACTED]

25X1

PARAGUAY . . . . . Page 5

The military rebellion which broke out in Paraguay on 21 December was precipitated by President Stroessner's order for the arrest of Epifanio Mendez Fleitas, Central Bank president and a controversial leader of the ruling Colorado Party. In back of the outbreak is a conflict among the various Colorado factions and continuing efforts of the party's civilian leaders to challenge the military's traditional dominance of the government. [REDACTED]

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PART II

NOTES AND COMMENTS

Berlin Situation: Communist pressure against West Berlin continues, but the legal steps necessary to incorporate the Soviet sector of the city into the German Democratic Republic have not been taken. Such action would terminate the four-power status of the city. East Germany, despite the aggressive statements of several of its leaders, still appears intent on maintaining its position in Berlin without openly challenging the Western powers there. [REDACTED] . . . . . Page 1

25X1

25X1

SECRET

ii

## CURRENT INTELLIGENCE WEEKLY SUMMARY

22 December 1955

Khrushchev-Bulganin Tour: Three documents issued at the conclusion of the Soviet leaders' visit to Afghanistan provide for further extending political, economic and cultural ties between Afghanistan and the USSR. Moscow probably hopes the visit, and the promises of additional aid, will cause the Afghans to stand up more boldly against Pakistan and the West. As a result of the visit Prime Minister Daud's domestic position seems to have been further strengthened. [redacted] . . . Page 3

25X1

Effects of UN Membership Increase: The admission of 16 new members into the UN on 14 December has, by promoting the principle of universal membership, probably improved Peiping's prospects for admission. While the increase in Soviet bloc votes is minor, the Arab-Asian bloc may now be able to muster a two-thirds vote on colonial issues. [redacted] . . . Page 4

25X1

The Soviet Shift on UN Membership: By its sudden shift on the UN membership question, the USSR laid the foundation for its tactics in next year's debate on Chinese UN representation. Moscow seeks to confront the United States with a choice between acquiescing in the seating of the Chinese Communists or continuing to support the Nationalists at the cost of Japan's exclusion. [redacted] . . . Page 5

25X1

Japanese Reaction to Veto on UN Membership: The Japanese feel that the UN membership rebuff, along with other recent setbacks to their diplomacy, emphasizes their nation's weakness in international affairs and its overdependence on the United States. This will strengthen the position of those within and outside the government who favor increasingly independent action to strengthen Japan's international position. The fact that Japan's accession to the UN depends on Soviet support also will increase pressures for concessions when the London treaty negotiations with the USSR are resumed in January. [redacted] . . . Page 6

25X1

Buraimi: Since rejecting the Saudi Arabian proposals for renewed arbitration of the Buraimi dispute, the British have further alienated the Saudis by instigating a military campaign against a Saudi ally, the imam of Inner Oman. By taking this firm stand, Britain is attempting to stop Saudi border encroachments into territory claimed by the British-controlled Persian Gulf rulers, and thereby maintain Britain's political and economic privileges in this area. [redacted] . . . Page 7

25X1

## CURRENT INTELLIGENCE WEEKLY SUMMARY

22 December 1955

Saar Election Outcome: The three pro-German parties won absolute control of the Saar Landtag in the 18 December elections but fell short of the 75-percent majority needed to revise the constitution. Prospects are for a period of continuing agitation by the ambitious pro-German extremist leader Schneider. [ ] . Page 8 25X1

New Soviet Five-Year Plan: The draft of the Soviet Union's Sixth Five-Year Plan (1956-1960) will probably be made public a few weeks before it is presented to the 20th Party Congress next February. The next plan evidently will be an ambitious program for rapid growth of the USSR's maturing economy, and will be presented as a significant step from state socialism toward Communism. Basic to the fulfillment of the plan will be the success of the industrial modernization effort in raising labor productivity and the achievement of the agricultural and livestock goals. [ ] . . . . . Page 9 25X1

Bulganin Defends the Cominform: Marshal Bulganin's defense of the Cominform in a press conference in New Delhi on 14 December indicates that the USSR is prepared to accept the diplomatic embarrassment which the existence of the Cominform entails to preserve it as a weapon in the "peaceful open competition of capitalist and socialist systems" advocated by Moscow. [ ] . . . . . Page 10 25X1

Soviet Objectives in the Antarctic: Participation in the International Geophysical Year (1957-58) provides the USSR with an opportunity to become entrenched in the Antarctic. The scientific gains accruing to the USSR from a program of continuous work in the Antarctic would secure it a leading position in polar geophysics, polar flying, guided-missile development and polar land, sea and submarine operations. [ ] . Page 11 25X1

Soviet Party Membership Increased Significantly: The addition of a million new members to the Soviet Communist Party since May 1953 indicates a reversal of the postwar policy of restricting party membership. This expansion, which brings the membership to 8,000,000, appears to reflect the views of Party First Secretary Khrushchev. It is in line with the campaign he initiated in the fall of 1953 to bolster party cadres in agriculture. [ ] . . . . . Page 12 25X1

CURRENT INTELLIGENCE WEEKLY SUMMARY

22 December 1955

Soviet Military Promotions Since Stalin's Death: The recent promotion of four Soviet army generals brings to 41 the number of known promotions to three-star rank and above in the Soviet military since Stalin's death. The contrast between this number in two and a half years and the 12 such promotions in the eight-year postwar period under Stalin is indicative of the greater recognition now accorded military leaders, particularly operational commanders. [ ] . . . . . Page 13 25X1

Laos: The Laotian election campaign, now in its final stages, has been generally calm. Present political leaders are expected to return after the 25 December voting with a working majority in the assembly and roughly the same balance of power in the cabinet. The Pathet Lao has confined its activities to propaganda urging abstention from the polls; only one Pathet sympathizer is regarded as having a chance of election. [ ] . . . . . Page 14 25X1

Malaya: Preliminary arrangements have been completed for a meeting during the last week of December between Malayan chief minister Abdul Rahman and Secretary General Chin Peng of the Malayan Communist Party. Rahman has reiterated that when he meets the Communist leader, he will do no more than explain the government's 8 September amnesty and listen to Communist suggestions regarding the government's offer. [ ] . . Page 15 25X1

Sudanese Independence: The Sudanese parliament's "declaration" of independence on 20 December has been accepted by Britain and Egypt. Uncertainty remains whether the move will make unnecessary the convening of the international commission which was to supervise the process of Sudanese self-determination. [ ] . . . . . Page 15 25X1

Constitutional Crisis in Gold Coast: The Gold Coast, Britain's West African colony which is to attain commonwealth status by early 1957, is faced with internal dissension over its future constitutional structure and the role of tribal authorities. [ ] . . . . . Page 16 25X1

Greece: Political maneuvering is intensifying in Greece in anticipation of a royal proclamation dissolving parliament and a call for national elections. Elections, which would be required within 45 days, may be held as early as February. Prime Minister Karamanlis faces a hard political fight. [ ] . . . . . Page 17 25X1

~~SECRET~~

v

## CURRENT INTELLIGENCE WEEKLY SUMMARY

22 December 1955

Disaffection Growing in Argentina: New large-scale arrests and a report on the existence of a new "revolutionary movement" in Argentina suggest that the Aramburu government's forceful program to crush all sources of Peron's former strength may be alienating part of its support from the military who served under Peron. Though President Aramburu still seems to have control, the arrests tend to belie the communiqués about unity within the regime which appears to be increasingly strained by interservice rivalries. [ ] . . . . . Page 17 25X1

## PART III

PATTERNS AND PERSPECTIVESTHE RIGHT-CENTER COALITION IN THE FRENCH ELECTION . . . . . Page 1

In the three-cornered French election battle between the present government coalition, Mendes-France's Republican Front and the Communists, the conservative Independent-Peasant bloc which forms the right wing of Faure's coalition will probably gain the greatest number of seats. This group, basically conservative, has shown considerable flexibility, particularly in recent months, on wage issues as well as in foreign affairs. [ ]

TRANSPORTATION AND UTILITIES IN BERLIN . . . . . Page 4

East German harassment again poses a threat to the vulnerable road, rail and water communications lines on which West Berlin depends for its communications to the West. While the Communists hope to force recognition of the East German government by asserting control over these routes, West Berlin maintains a six-to-nine-month stockpile of basic necessities, which in an emergency could be supplemented by airlift. [ ] 25X1

JAPAN DRIVES FOR COMMUNIST MARKETS . . . . . Page 9

The Hatoyama government, moving cautiously, has put into effect a number of policies during the past year to restore Japan's trade with the nations of the Sino-Soviet bloc, especially with Communist China. Exports to the bloc, however, still comprise only two percent of the total for all countries and imports little more than three percent. By enlarging this trade, Japan hopes to achieve a self-sustaining economy, which it considers a prerequisite to a more independent role in Asia. [ ]





**SECRET****CURRENT INTELLIGENCE WEEKLY SUMMARY**

22 December 1955

**PART I****OF IMMEDIATE INTEREST****INDONESIAN CRISIS**

President Sukarno is apparently determined to bring about the fall of Prime Minister Harahap's Masjumi-led cabinet. He is giving strong support to Air Force Chief of Staff Suryadarma, who engineered a show of arms by air force personnel on 14 December to prevent the installation of a Harahap appointee as deputy chief of staff.

Sukarno has never favored the present cabinet, which assumed office last July. It does not include the leftist National Party, which he prefers, and it came into being as the result of army pressure in defiance of his wishes. The lines are thus drawn in the current dispute as in earlier crises: the Masjumi, the army and Vice President Hatta on one side; Sukarno and the National Party, supported by the Communists, on the other.

Prime Minister Harahap and Vice President Hatta maintain that Suryadarma's open insubordination cannot remain unpunished. Several parties in the cabinet, however, including the Nahdlatul Ulama, refuse to sanction punitive action because Sukarno is publicly backing the air chief. Sukarno and his supporters undoubtedly hope that if the impasse is prolonged, the government will be compelled to resign.

Another disagreement has reportedly arisen between Sukarno and Prime Minister Harahap over the power to appoint up to 18 representatives of racial minority groups to the new parliament which will be seated in April. The race

between the Masjumi and the National Party in last fall's parliamentary election was so close that the racial minority seats may hold a balance of power. If a cabinet agreeable to Sukarno could be installed, the dispute over the right of appointment would become academic.

Meanwhile, returns from the 15 December elections for a constituent assembly are tending further to weaken Harahap's position. These show the National Party, the Communists, and the Nahdlatul Ulama polling better and the Masjumi worse than at a comparable point in the counting of last September's vote. A continuation of this trend will undermine the support Harahap will receive from the small parties in his coalition when parliament convenes on 10 January. Already, at least three of them, including the Nahdlatul Ulama, have refused to support the government's decision to open the talks with the Dutch which began on 10 December. One of them broke openly with the cabinet and asked that the talks be suspended.

The talks cover virtually the whole range of Dutch-Indonesian relations, but it was agreed beforehand that each party would maintain its claim to sovereignty over west New Guinea, to which both maintain adamant claims. However, apparently with the hope of winning a foreign policy victory to help counter his domestic difficulties, Harahap asked the American embassy what the United States can do "with the Dutch or the Indonesians or both" to bring a solution to the New Guinea issue.

25X1

**SECRET**

**SECRET****CURRENT INTELLIGENCE WEEKLY SUMMARY**

22 December 1955

**FRENCH ELECTION**

In the campaign for the 2 January French election, no group so far appears to be showing significant gains in support.

It is estimated that 3,000 political meetings are being held daily, and most observers agree that the 2 January elections are likely to arouse more popular interest than many in the past. (Also see Part III, p.1.)

Depending on the weather, the massive registrations--reportedly 1,200,000 higher than in 1951--could result in a record-breaking vote. According to a recent poll, 88 percent of those questioned intended to vote. The previous high was an 84-percent vote in 1936.

The formal platforms of the two major non-Communist groups are similar. Both the Faure and Mendes-France blocs are asking for parliamentary reform to permit easier dissolution of parliament, although Mendes-France goes further in that he is pressing for electoral reform as well. Both blocs are also trying to capture young voters with promises of shortened military service.

The only clear issue on which the blocs differ is the classic dispute between left and right on state aid for church schools. The Mendes-France vehicle, the Republican

Front, which includes Radicals and Socialists opposed to state aid, have made the Catholic Popular Republicans a major target. Mendes-France is attempting to create a foreign affairs issue by attacking Pinay for accepting the 19 December NATO council statement on Soviet Middle East tactics.

Much of the noise in the campaign so far has come from the Poujade antitax groups which are attacking both the Mendes-France and Faure blocs and attempting to break up their meetings by rowdyism. Pinay's Independent Party has reportedly canceled all meetings in one department because of Poujadist threats, and Mendes-France was shouted down at a week-end Republican Front rally.

The large number of candidates and alliances continue to cloud the issues for the French voter. Numerous small parties that have no chance of getting an appreciable number of votes have entered into the campaign, particularly in the Paris area. A recent estimate gives the Pinay-Faure group 300 of the 596 seats at stake. (The election for 30 Algerian seats has been postponed.) The Ministry of Interior had estimated earlier, however, that no group could get a really workable majority. The Communists are expected to gain 35-40 seats, because of the split within the center and right which would give them about 135 of the 596 in the assembly.

25X1

**SECRET**

**SECRET****CURRENT INTELLIGENCE WEEKLY SUMMARY**

22 December 1955

**CYPRUS**

Terrorism continues on Cyprus. Twelve British soldiers have been killed recently and three Americans were injured on 18 December by a bomb tossed into a Nicosia apartment house dining room.

Greece wants a more explicit guarantee of self-determination for Cyprus than that contained in Britain's latest formula for a provisional settlement. This, Britain seems willing to concede. Greece also desires a rephrasing of the formula to exclude Turkey from a role in determining

the island's ultimate status, which London will probably refuse.

Curtailement of normal activities on Cyprus as a result of public insecurity is causing economic distress and is strengthening the position of moderate Nationalists. Rumors that Archbishop Makarios may ask the terrorists for a Christmas truce suggest he may be preparing to exert his influence against continued terrorism and toward reopening negotiations with British governor Harding.

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**ARAB-ISRAELI SITUATION**

The Syrian-Israeli frontier remains tense. There have been minor incidents on the Egyptian-Israeli border. UN truce chief General Burns appears to have made little progress in bringing Israel and Egypt to any agreement on truce proposals for the border regions of Gaza and El Auja. The Israeli "package" compromise publicized on 19 December as an inducement for Egypt and the other Arab states to negotiate peace settlements with Israel contained no new elements, and is certain to be rejected by the Arabs.

There is genuine fear in Israel that the country faces either annihilation by Egypt's growing military strength or a "Munich type" peace, according to the American embassy in Tel Aviv. The embassy believes

public opinion would generally approve Israeli preventive military action against Egypt "before it is too late." The embassy also reports that the government apparently decided in late October to adopt an arms procurement program instead of attacking Egyptian divisions in Sinai. However, if an arms program were to fail, preventive war waged against the Arab states might be linked with some controversial border issue in which Israel could avoid being blamed.

The large-scale reprisal attack of 11-12 December against Syria suggests that Israel intends to show the Arab states and the world that it is still in a position to negotiate peace from a position of strength.

25X1

**SECRET**

**SECRET****CURRENT INTELLIGENCE WEEKLY SUMMARY**

22 December 1955

**JORDAN AND THE BAGHDAD PACT**

The cabinet of Jordanian prime minister Majali, who was appointed only a week ago for the purpose of linking Jordan to the Baghdad pact, resigned on 20 December in the face of widespread demonstrations against the pact. The caretaker government of "elder statesman" Hashim, head of the Senate, has promised to take no action on the pact pending the outcome of parliamentary elections to be held within four months.

These developments are a serious setback to the British drive to engineer Jordan's adherence to the Baghdad pact.

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**POSTPONEMENT OF  
SUPREME SOVIET SESSION**

The postponement of the USSR Supreme Soviet session from 23 to 26 December may indicate that a plenum of the party central committee is convening during the intervening period. The calling of the central committee into session at this time could mean that there are disagreements within the party presidium over foreign and domestic policies. The Soviet budget for 1956 and the Khrushchev-Bulganin trip to South Asia are possible subjects of controversy.

It is also possible that disagreements have emerged within the party presidium that need to be reconciled before the Supreme Soviet convenes but which do not necessitate calling the central committee into session. Resolution of high-level controversies might

result in important changes in the party hierarchy.

Since Bulganin and Khrushchev did not return to Moscow until late on 21 December, it is also possible that more time is required to prepare a full report on the foreign aid program for South Asia to which they have committed the USSR.

Postponement of a meeting of the Supreme Soviet has occurred at least twice since Stalin's death. In March 1953, a session was delayed to enable the central committee to accept Malenkov's resignation as party secretary. A meeting scheduled for 28 July 1953 was postponed to 5 August, presumably to allow Malenkov time to secure acceptance for the "new course" economic policy which he presented at that session. [REDACTED]

25X1

**SECRET**

**SECRET****CURRENT INTELLIGENCE WEEKLY SUMMARY**

22 December 1955

**PARAGUAY**

The military rebellion which broke out in Paraguay on 21 December was precipitated by President Stroessner's order for the arrest of Epifanio Mendez Fleitas, Central Bank president and a controversial leader of the ruling Colorado Party. In back of the outbreak is a conflict among the various Colorado factions and continuing efforts of the party's civilian leaders to challenge the military's traditional dominance of the government.

conferences with military and civilian leaders. The meetings are probably related also to the Colorado Party's recent efforts to conciliate its dissident factions.

Pressure for the removal of officials considered to be pro-Peron, such as Mendez, reportedly is being exerted also by the Argentine government as a prerequisite for the Argentine co-operation Paraguay urgently needs--trade between the two countries having virtually ceased since the overthrow of Peron in September.

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As commander in chief of the armed forces, Stroessner has an advantage in any military showdown with Mendez. The latter, however, has acquired considerable support among younger army officers and the police.

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25X1

all members of the cabinet offered their resignations on 14 December to give Stroessner a free hand, and Stroessner, along with Romero, has since been holding

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**SECRET**

**SECRET****CURRENT INTELLIGENCE WEEKLY SUMMARY**

22 December 1955

**PART II****NOTES AND COMMENTS****Berlin Situation**

Communist pressure against West Berlin continues, but the legal steps necessary to incorporate the Soviet sector of the city into the German Democratic Republic (GDR) have not been taken. East Germany, despite the aggressive statements of several of its leaders, still appears intent on maintaining its position in Berlin without openly challenging the Western powers there. (Also see Part III, p. 4)

First Secretary Neumann of the Socialist Unity Party (SED) organization in Berlin, in an open threat of direct Communist action against the Western sectors, said on 17 December that "in West Berlin, it is now a question of liquidation of the occupation statute and setting aside the power of big business and militarists so that normal relations with the government of the GDR can be created." Neumann apparently views West Berlin as a part of the GDR capital where East Germany is unable to enforce its laws.

The East German Foreign Ministry in early December, however, was reported to be preparing a legal opinion which would define the Soviet sector of Berlin as the capital and part of the GDR and which would imply that the Western sectors were West German ter-

Neumann also attacked the proposed law now pending in the West Berlin Senate which would

allegedly bring West Berlin under the laws of the Federal Republic. Continued propaganda charges by East Germany against this law may be used to justify the enactment of similar legislation by the GDR which would place East Berlin under East German law. At present, East German law is applicable in East Berlin only on re-enactment by the municipal legislature, indicating that Communist authorities recognize the existing legal situation despite their frequent claims that East Berlin is part of the Democratic Republic.

The only recent Communist actions against movement between East and West Berlin--the closing of exits to West Berlin on two elevated stations on the intersector border on 17 December and the arrest of 20 East German passengers the next day--apparently were designed to cut down on Christmas shopping by East Berliners in the Western sectors.

Except for the recent confiscation by the East Germans of 12 trucks loaded with scrap metal, traffic between West Germany and Berlin continues to move normally. However, West German foreign minister Von Brentano, in his conversation with Secretary Dulles in Paris on 17 December, said he expected the GDR to place increasing obstacles on traffic and transport to Berlin as part of its campaign to obtain recognition.

West Germany, according to Von Brentano, can see no adequate means for countering such moves except through concerted Western action. State

**SECRET**

CURRENT INTELL ~~SECRET~~ WEEKLY SUMMARY

22 December 1955

Secretary Hallstein of the Bonn Foreign Ministry believes stopping trade with East Germany would do more harm to the Federal Republic than to the GDR. He said that the Federal Republic was partially dependent on East Germany, particularly

as regards brown coal, for which there is no other source of supply. Steel exports from West Germany to the GDR, in his opinion, were so small that an embargo on their shipment could not be used as a means of pressure.

25X1

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SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

22 December 1955

25X1

Khrushchev-Bulganin Tour

Three documents issued at the conclusion of the Soviet leaders' visit in Afghanistan provide for a further extension of political, economic and cultural ties between that country and the USSR. While the Afghan tour was less spectacular than the visits to India and Burma, the Soviet leaders apparently were successful in giving the Afghans greater confidence in Afghanistan's ability to follow a "neutralist" course, independent of its neighbors who are members of the Baghdad pact.

Moscow probably hopes the visit, and the promises of additional aid, will cause the Afghans to stand up more boldly against Pakistan and the West. As a result of the visit, Prime Minister Daud's domestic position seems to have been further strengthened.

The most important result of the visit was the Soviet offer to Afghanistan of \$100,000,000 in long-term credits. Final terms are to be negotiated at a later date. Apparently Soviet and Afghan officials will hold discussions on the number and type of projects in which Soviet aid could be used, including the development of agriculture, construction of hydroelectric stations, irrigation projects and the reconstruction of the Kabul airport.

Prime Minister Daud apparently has not yet committed himself to accepting any specific project.

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Prior to the announcement of the Soviet offer, Communist credits in Afghanistan amounted to \$11,800,000, of which \$5,000,000 was extended by Czechoslovakia, \$6,800,000 by Moscow. While Kabul has committed only \$1,500,000 of the \$5,000,000 Czech credit, the entire \$6,800,000 Soviet credit has been spent on such projects as grain warehouses and roads. Improvement of the poor trade routes to the Soviet border will probably be stepped up, linking the Afghan economy even more closely with that of the USSR.

The joint declaration signed at the end of the visit emphasized Soviet-Afghan agreement on a number of international issues. Joint drafting

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

22 December 1955

was apparent in the phrasing of the declaration. It did not go beyond an implication of Soviet support for Afghanistan on the Pushtoonistan issue, and omitted the condemnation of military blocs included in the declarations the USSR had signed with Burma and India.

The Soviet and Afghan foreign ministers also signed a protocol prolonging for ten years the Soviet-Afghan treaty of neutrality and nonaggression of 1931, but apparently added no new provisions. (Con-  
curred in by ORR)

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Effects of UN Membership Increase

The admission of 16 new members into the UN on 14 December, which focused attention on the principle of universal membership, has probably improved Peiping's prospects for admission. While the increase in Soviet bloc votes is minor, the Arab-Asian bloc may now be able to muster a two-thirds vote on colonial issues embarrassing to the West.

The endorsement by the General Assembly of Albania, Bulgaria, Hungary and Rumania negates the previously held theory that the UN should confer membership only on the basis of individual merit. The abandonment of this principle will enable many countries to support the admission of the Peiping regime. In this connection, the admission of Spain, despite a 1946 resolution condemning its conduct, will probably make it difficult to cite the 1950 aggressor resolution as a bar to Peiping's entry.

Although the increase in the USSR's voting strength to nine is not expected to reduce the West's dominant position in the UN, the growth in strength of the Arab-Asian bloc will add to the difficulties of the Western nations, particularly on

colonial and economic matters. The Arab-Asian bloc picked up six new members, bringing their total to 23. While in the past the bloc has not exhibited much unity or strong leadership, it is significant that this year the bloc was whipped into line on the touchy Algerian question by India's Krishna Menon. Should the bloc develop cohesiveness under a strong leader, its anticolonial bias, which the Latin American bloc shares, will involve the UN in other explosive "colonial" issues and further exacerbate relations between underdeveloped countries and colonial powers.

The two largest blocs in the UN, the Arab-Asian and the Latin American, can claim 43 members, only eight votes less than two thirds of the total membership of the General Assembly. With the USSR's nine votes, these blocs could muster two-thirds majority control of the 76-member assembly. These blocs are composed primarily of small, underdeveloped nations, which usually enthusiastically support any financing scheme accruing to their benefit at the expense of the big powers. The USSR can be expected to appeal to this tendency and to court bloc votes by supporting large-scale UN financing,

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## CURRENT INTELLIGENCE WEEKLY SUMMARY

22 December 1955

price parity and technical assistance programs. Britain and the United States are currently financing the larger share of such UN programs now in operation.

Western Europe increased its influence and representation in the UN with six new members of which Italy, Spain

and Portugal are strong supporters of the West who will probably aid the colonial powers in restraining the anticolonial groups. Austria and Finland, motivated by a desire not to offend the Soviet bloc, most likely will attempt to maintain a neutral position in the UN.

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Soviet Shift on UN Membership

By its sudden shift on the UN membership question, the USSR laid the foundation for its tactics in next year's debate on Chinese representation. The proposal made on 14 December apparently reversed Moscow's earlier maneuver to bring about the collapse of the entire membership effort by forcing the Chinese Nationalists to veto Outer Mongolia. The Soviet leaders had earlier appeared confident that they could throw the blame for the failure of the prolonged negotiations on the Chinese Nationalists and the United States and that this failure would spark immediate efforts to expel the Nationalists from the UN.

Deputy Foreign Minister Kuznetsov had strongly endorsed the Canadian 18-nation plan on 17 November, insisting that "18 or none" must be admitted, after the American delegate had declared that Outer Mongolia "cannot make the grade." Soviet diplomats throughout the world made strenuous efforts to ensure that Outer Mongolia would receive the required number of votes in both the Security Council and the assembly so that the Chinese Nationalists would have no choice but to veto Outer Mongolia.

Soviet delegate Sobolev's statements at the 13 December

Security Council session which defeated the 18-nation plan gave no indication of the next day's about-face. He accused the United States of wrecking the Canadian plan by instigating the Chinese Nationalist veto after earlier pressures on other delegations to induce them to withhold the necessary votes for Outer Mongolia had failed. Sobolev urged the council to ponder the situation when "one person, who represents only himself," could obstruct the will of the United Nations, and to consider what could be done about it.

Peiping's premature comment on the failure of this plan seems to indicate that the Chinese Communists were not given advance warning of the new Soviet plan excluding Japan. The American consul general in Hong Kong has suggested that it may have come as a surprise and even a shock to Peiping, which has been courting Japan with more emphasis on the carrot than on the stick.

Moscow may have decided that the overwhelming support of the great majority of UN members for some solution of the membership deadlock at this session made its original tactics too risky. It therefore devised the 16-nation "compromise" plan which would have

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## CURRENT INTELLIGENCE WEEKLY SUMMARY

22 December 1955

the twin advantages of enabling the USSR to claim credit for resolving the deadlock and, at the same time, continuing to use Outer Mongolia's candidacy as a lever to force the expulsion of the Chinese Nationalists and the seating of the Chinese Communists--the main objective of its entire membership maneuver.

While the USSR may originally have hoped that the defeat of the membership effort by the collapse of the 18-nation plan would lead to the immediate expulsion of the nationalists, its new plan has prepared the ground for a showdown battle on the

question of Chinese representation next year. The USSR, in making Japan's admission contingent upon the simultaneous entry of Outer Mongolia, has in effect served notice on the UN and on the Japanese that Japan's admission is possible only if the United States agrees to admit Peiping and unseat the Nationalists, because the latter will never accept Outer Mongolia. Moscow's reversal is thus designed to confront the United States with a choice between acquiescing in the seating of the Chinese Communists or continuing to support the Nationalists at the cost of Japan's continued exclusion.

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#### Japanese Reaction To Veto on UN Membership

The Japanese feel that the UN membership rebuff, along with other recent setbacks to their diplomacy, emphasizes their nation's weakness in international affairs and its overdependence on the United States.

This reaction will strengthen the position of those, both within and outside the government, who favor increasingly independent action to bolster Japan's international position.

In seeking to improve its position, Tokyo probably will direct a primary effort toward developing closer ties with the Asian-African bloc. The belief that a self-sustaining economy is a prerequisite for an independent position also will prompt the Japanese to continue their drive to expand trade with the Soviet bloc. A concomitant development probably will be a decrease of the

government's resistance to leftist pressures for normalization of relations with the Communist nations.

Although the Soviet Union's second and third vetoes last week directed Japanese resentment toward the USSR as the primary obstacle to Japanese membership in the UN, press and official criticism was less than might have been expected, considering the extent of the Soviet actions. In fact, these actions have incited some grudging respect for Moscow's tough position and astute tactics.

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CURRENT INTELLIGENCE WEEKLY SUMMARY

22 December 1955

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The Japanese appear to believe that a direct deal with the USSR in the peace treaty talks offers the best means for securing Soviet support for Japan's accession to the UN. Pressures for making concessions at the London talks are likely to grow and strengthen Prime Minister Hatoyama's inclination to concede on the territorial issue.

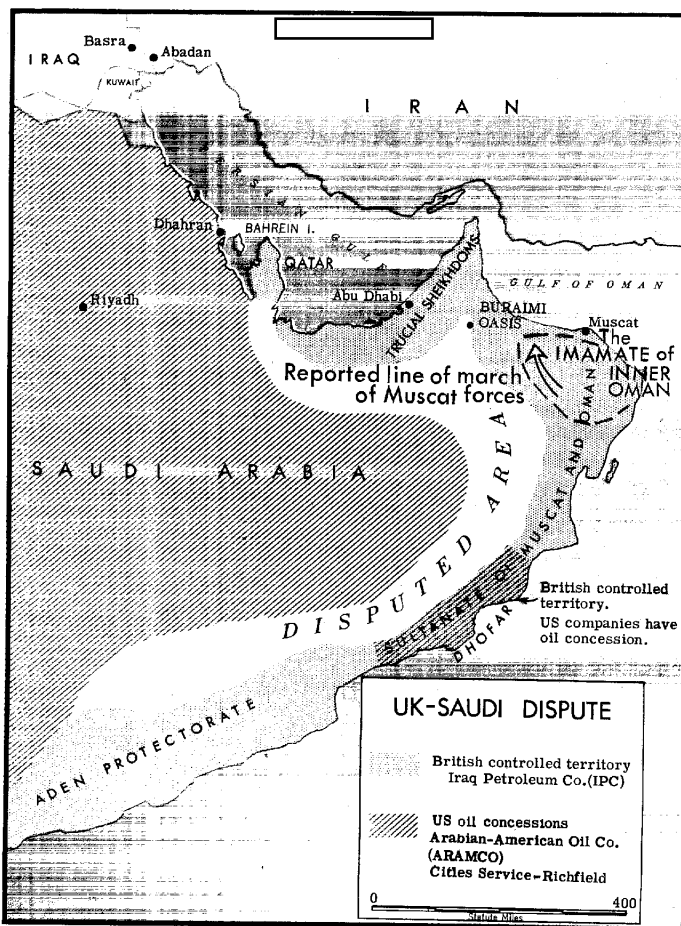
The Japanese are convinced, however, that the USSR intends to make their entry to the UN contingent on representation for Communist China and that no concessions, however expensive, will make Moscow drop its scheme. This conviction and natural Japanese reluctance to make concessions probably will enable the Foreign Ministry to maintain its present position temporarily when the suspended talks reopen.

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Buraimi

Since the rejection on 21 November of the Saudi Arabian proposals for renewed arbitration of the Buraimi dispute, the British have further alienated the Saudis by instigating a military campaign against a Saudi ally, the imam of Inner Oman. By taking this firm stand, the British are attempting to stop the Saudi border encroachments into territory claimed by the British-controlled Persian Gulf rulers, and thereby maintain their political and economic privileges in this oil rich area.

On 12 December the sultan of Muscat and Oman initiated, with British support, a campaign to subdue his nominal subordinate, the imam of Inner Oman. The imam materially assisted by the Saudis.



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## CURRENT INTELLIGENCE WEEKLY SUMMARY

22 December 1955

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has been asserting his independence for some time. The

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Saar Election Outcome

The three pro-German parties won absolute control of the Saar Landtag in the 18 December elections but fell short of the 75-percent mandate needed to revise the constitution. This may facilitate French agreement to a definitive settlement of the Saar problem in French-German negotiations scheduled to begin in January.

The outcome of the vote has eliminated the danger that an overwhelming pro-German victory might make the Saar a major issue in the French elections and thus tie Paris' hands in forthcoming negotiations. There is still the possibility, however, that the ultranationalist Saar leader Schneider and his sympathizers in West Germany can sour the current French disposition to rely Bonn's good faith in further negotiations.

At the moment, Paris seems prepared to relinquish all its claims to political authority in the Saar and to loosen its formal economic ties, provided basic French economic "rights and interests" are protected. French foreign minister Pinay

and West German foreign minister Von Brentano worked out such an agreement just before the Saar election, but the details are being kept secret until after the French elections. Paris will in any case insist on maintenance of the present economic union pending a definitive solution.

According to the agreement, Paris recognizes that the final stage of a definitive Saar settlement will not involve maintenance of the French-Saar customs and monetary union. One Quai d'Orsay official now frankly envisages the prospect of the re-incorporation of the Saar into West Germany. Pending a definitive solution, however, France will insist that the present economic union remain unchanged.

The formation of a new Saar government will be delayed at least until 5 January, and the current "nonpolitical" caretaker government under Heinrich Welsch is expected to continue its duties until then.

Meanwhile, an effort is being made with the encouragement of Chancellor Adenauer

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## CURRENT INTELLIGENCE WEEKLY SUMMARY

22 December 1955

and the neighboring West German bishops to form one strong predominantly Catholic bloc by a merger of the dominant pro-German Christian Democratic Union party with the Christian People's Party of former premier Hoffmann, which held a surprisingly strong third place despite being attacked as pro-French. Both are comparatively moderate groups; combined, they would control a slight majority of Landtag seats and could bargain to shunt Schneider into a subsidiary cabinet post.

Schneider, however, is reported to be ambitious to figure on the West German political scene. Having called the nationalistic tune in the pre-election campaign, he also retains a powerful lever over the other pro-German groups, which still maintain their ties with each other. He is refusing to participate in forming a new Saar government except on his own terms. Prospects are for a period of continuing agitation which will tend to foment trouble between Paris and Bonn.

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### New Soviet Five-Year Plan

The draft of the Soviet Union's sixth Five-Year Plan, for the years 1956-1960 will probably be made public a few weeks before it is presented to the 20th Party Congress next February. As the first Five-Year Plan to bear the imprimatur of the "collective leadership," it can be expected to reflect its view of the Soviet economy's potentials and problems. Its main outline is clearly indicated in recent policy speeches of Premier Bulganin and Party First Secretary Khrushchev.

Soviet industry will probably in general follow the broad program laid down by Premier Bulganin in his speech to the Industrial Conference last May and his report on industry to the central committee in July. The importance of heavy industry as the only "correct" base for continuing the development of the Soviet economy will be reaffirmed. The planned rate of growth of industrial output over the next five years is unlikely to exceed that of the original fifth Five-Year Plan, which has been substantially overfulfilled.

According to current estimates, production of all five basic commodities of Soviet industry--steel, pig iron, coal, electric power and petroleum--could within the next five years reach or surpass the long-range goals for the early 1960's announced in 1946 by Stalin.

	ANNOUNCED 1955 PRODUCTION	GOALS FOR 1960-65 SET BY STALIN IN 1946	ESTIMATED 1960 PRODUCTION CAPABILITY
	(million metric tons or billion kilowatt-hours)		
Steel	45	60	61-64
Iron	33	50	50
Coal	391	500	600
Electric Power	166	260	275-300
Oil	70	60	125-135

The basic need for rapidly increasing the productivity of labor to compensate for a diminishing rate of growth of the industrial labor force has finally forced the Soviet Union to face the problem of obsolescence. Emphasis will be placed on automation and other technological innovations. For the first time, large-scale modernization of aging industrial installations will be included in the plan. In addition, the first major adjustment of wage rates and production norms since World War II can be expected as a result of work done by the

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## CURRENT INTELLIGENCE WEEKLY SUMMARY

22 December 1955

State Committee on Problems of Labor and Wages, headed by Kaganovich.

Other industrial programs to be stressed are: speeding up the industrialization of Siberia; increasing industrial specialization, wherein individual plants will concentrate on the production of fewer items; and increased authority for economic administrators at lower levels.

The 1960 goals for agriculture have been laid down by Khrushchev in his speeches on the "new lands" and livestock programs, the latter calling for an eightfold increase in acreage of fodder corn. These twin schemes are at the core of plans to increase grain production by 50 percent or more, to double state output of meat and other livestock products, and to increase wool production by 80 percent. Despite some early disappointments, Khrushchev has claimed that these goals can be met well before 1960. The plan will

probably devote substantial resources to agriculture, but it is expected that the targets will be missed by wide margins.

The rate of growth in the production of manufactured consumer goods will be high, with those industries not dependent on agricultural raw materials showing the greatest gains. Textile production, for example, is to increase only about 50 percent, according to the Soviet press, but much higher targets will be set for durable consumer goods.

Recent Soviet statements indicate that the Sixth Five-year Plan will be an ambitious program for rapid growth of the USSR's maturing economy, and will be presented as a significant step from state socialism toward Communism. Basic to the fulfillment of the plan will be the success of the industrial modernization effort in raising labor productivity and the achievement of the agricultural and livestock goals.  25X1  
(Prepared by ORR)

Bulganin Defends the Cominform

Marshal Bulganin authoritatively reasserted Soviet support of the Cominform in the course of his New Delhi press conference on 14 December. His somewhat rhetorical defense was in effect a direct rejection of Western and Indian suggestions that the Cominform should be abolished as a concession to coexistence.

Bulganin argued that the Cominform has a right to exist as an international, nongovernmental organization comparable to the Socialist International or "capitalist international monopoly associations," implying that each of the three types of organizations was a legitimate international spokesman for a particular economic class. He

restated the Soviet claim that the Cominform exists for exchange of information and experience between Communist parties, the spokesmen for the working classes.

Bulganin's statement was especially significant because it runs counter to Prime Minister Nehru's publicly expressed opinion that the activities of the Cominform are inconsistent with the Chou-Nehru "five principles" which India and the USSR have reaffirmed during the Bulganin-Khrushchev visit. It is also the most specific public defense of the Cominform made by a top Soviet official in recent years. The statement indicates that the USSR is prepared to accept the diplomatic embarrassment which the

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CURRENT INTELLIGENCE WEEKLY SUMMARY

22 December 1955

existence of the Cominform entails to preserve it as a weapon in the "peaceful open competition of capitalist and socialist systems" advocated by Moscow.

Bulganin's justification of the Cominform does not eliminate the possibility that the USSR is considering new organizational forms embracing more Communist parties and perhaps some Socialist parties as well. Soviet spokesmen discreetly proposed to representatives of the Norwegian and Austrian Socialist parties in late November that direct relationships be established between each of

them and the Soviet Communist Party.

Khrushchev, in accepting a Norwegian Socialist counter-offer of an exchange of journalists, expressed the hope for party relations "when the necessary conditions mature." Since the Yugoslavia visit by Soviet leaders last May, Soviet and Satellite parties have also gone on record in favor of re-establishing relationships with the Yugoslav Communists.

The possibility of expanding the Cominform to include non-European Communist parties is suggested by increased emphasis in the Cominform journal on Asia, Africa, and Latin America.

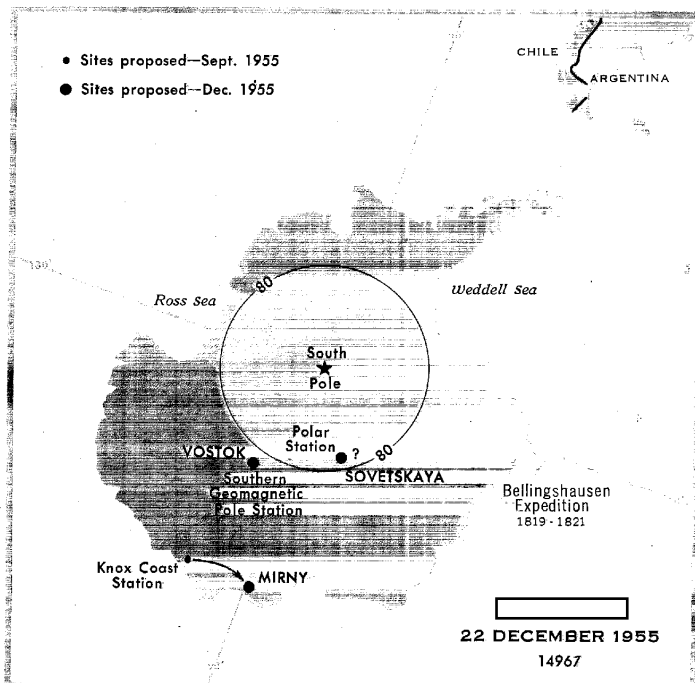
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Soviet Objectives in the Antarctic

Participation in the International Geophysical Year (IGY) (1957-58) provides the

USSR with the opportunity to become entrenched in the Antarctic.

PLANNED SOVIET ANTARCTIC STATIONS  
1956-1959



Judging by the number of scientific workers scheduled for participation, the variety of scientific activities planned, the air-hop method of operation, and the advance start on the work, the Soviet program of IGY observations and non-IGY exploration and mapping appears to be more comprehensive than that planned by any other participating country. More than 70 specialists will arrive in the Antarctic in late January on the specially outfitted vessel Ob. A second ship, the Lena, has also left the USSR for the Antarctic. With the arrival of these ships, work will begin on establishment of the

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## CURRENT INTELLIGENCE WEEKLY SUMMARY

22 December 1955

"first Soviet observatory in the Antarctic" and the main Soviet coastal station, Mirnyy.

As soon as possible in 1956, this expedition will begin exploration to determine the sites for two inland stations, Vostok and Sovetskaya, and will begin limited geophysical observations. All stations are to be completed and a full observation program under way by January 1957, six months prior to the official beginning of the IGY.

The USSR hopes to establish an intercontinental air route between Antarctica and the USSR via Australia, India and Indonesia. It has already made a formal request to Australia for airport and maritime facilities. If the Australians grant these rights, the movement of scientific personnel, equipment and supplies will be expedited.

The USSR has never officially claimed any part of the Antarctic, but continued occupation of Soviet whaling or scientific bases following the IGY could lead to "effective occupation." Recent Soviet statements on the importance of the Antarctic for long-range weather forecasting and the announcement of plans "to study the question

of supply bases" for whaling suggest the arguments the USSR will use to maintain this foothold.

If challenged, the USSR would be likely to defend its rights on the basis of its achievements in the exploration, and its surveying and mapping of previously unexplored areas. It may further claim that as a leader in polar research, it would make major scientific contributions of value to the whole world if it continued its effort after 1958. It may also attempt to emphasize the weak foundation for the claims of the various countries and to disclaim them as opportunistic and of no benefit to mankind as a whole. Such a position might be difficult to dispute since so much of the Antarctic, particularly the area of Soviet activity, is still unexplored.

The scientific gains which would accrue to the USSR from a program of continuous work in the Antarctic could secure it a leading position in polar geophysics, since it has been the leader in Arctic scientific work for many years. This research and experience could have significant military implications in polar flying, guided-missile development, and polar land, sea and submarine operations. [ ] Prepared jointly by ORR and OSI)

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### Soviet Party Membership Increased Significantly

According to a recent speech by N. D. Khrushchev to the Indian Parliament, the Soviet Communist Party now has 8,000,000 members, 1,000,000 more than in May 1953. This is a significantly more rapid rate of increase than prevailed in preceding postwar years and apparently marks a reversal of the postwar policy of restricting party membership reaffirmed by Malenkov at the 19th Party Congress in October 1952. The main

emphasis under that policy had been on improving the quality of the party. From 1947 to 1952 the net increase in membership was only about 582,000.

The present expansion of the party membership appears to reflect the views of First Secretary Khrushchev and may be related to the campaign he initiated in the fall of 1953 to bolster collective and state farms with party cadres. [ ]

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# CURRENT INTELLIGENCE WEEKLY SUMMARY

22 December 1955

## Soviet Military Promotions Since Stalin's Death

The promotion of four Soviet army generals revealed in press accounts of the October Revolution celebration brings to 41 the number of known promotions to three-star rank and above in the Soviet military since Stalin's death. The contrast between this number in two and a half years and the 12 comparable promotions in the eight-year postwar period under Stalin reveals the greater recognition now accorded military leaders, particularly operational commanders.

Stalin's distrust of professional military officers was probably a primary factor in his slighting of military leaders. The more numerous promotions since Stalin's death probably include many long-overdue advancements and reflect a desire of the present regime to improve morale and efficiency within the higher ranks of the professional officer corps.

No military district or fleet commander was promoted under Stalin. Of the four officers whose promotions to the rank of army general were revealed on 7 November, however, three are military district commanders whose new rank is commensurate with their responsibilities in exposed peripheral areas of the USSR. These officers are: A. A. Luchinski, commander of the Turkestan MD which touches on the Iran-Afghanistan border; I. I. Fedyuninski, commander of the Transcaucasus MD bordering on Turkey and Iran;

and A. V. Gorbato, commander of the Baltic MD adjacent to the Baltic Sea. All served under Defense Minister Zhukov during the storming of Berlin, and two of them--Gorbato and Fedyuninski--remained in Germany with him after the end of hostilities.

The promotion of A. S. Zhadov to army general suggests the influence of Marshal Konev, under whom he served for several



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years during and after World War II.

The 41 promotions to three-star rank or above include those of four individuals who have been promoted twice since Stalin's death, but do not include that of KGB chairman Serov to army general.

Of the 41 officers promoted, 22, including 11 military district commanders and four fleet commanders, were in operational commands at the time of promotion. The other 19, of

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## CURRENT INTELLIGENCE WEEKLY SUMMARY

22 December 1955

which four are air force officers, were in Moscow in administrative or staff capacities. Of those officers advanced under Stalin, only four were in operational commands, while eight were in Moscow.

None of the men promoted since Stalin's death are political officers. One--Fleet

Admiral N. G. Kuznetsov--is a full member of the party central committee and seven are candidate members of the committee. Two of the officers elevated under Stalin--Marshal Bulganin and Admiral S. E. Zakharov--were political officers and both were full members of the central committee. [ ]

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Laos

The campaign for the 25 December national assembly elections has been relatively calm. The Pathet Lao, which is not participating in the election because of failure to reach a political settlement with the royal government, has confined its activities to propaganda urging voters to stay away from the polls.

The two leading parties--Premier Katay's Progressives and Foreign Minister Phoui's Independents--have formed a loose alliance aimed at blocking the election of any Pathet-supported candidates. These parties now have 28 of the present 34 deputies and are each expected to win about one third of the assembly seats. Four Pathet sympathizers have been recognized among the 228 candidates for the assembly's 39 seats. With one possible exception, their prospects for election are poor.

Ngon Sananikone, commerce minister and brother of Phoui, anticipates that the balance of

power in the cabinet will remain substantially the same, with Phoui agreeing to leave the premiership to Katay. The apparent victory of Katay over Defense Minister Souvanna Phouma for control of the Progressive Party and the reported willingness of Phoui to continue to co-operate with Katay indicates that rivalries among the three leaders will not precipitate a postelection repetition of last October's cabinet crisis.

The government is preparing for voting to take place in the areas it controls in the disputed northern provinces. The government will probably declare that the elections constitute the political settlement envisaged in the Geneva agreements and call on Pathet Lao troops to accept reintegration into the national community. If, as anticipated, the Pathets refuse to comply, the government may step up military and political pressure to break Pathet control of the two northern provinces. [ ]

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# CURRENT INTELLIGENCE WEEKLY SUMMARY

22 December 1955

## Malaya

Preliminary arrangements have been completed for a meeting during the last week of December between Malayan chief minister Abdul Rahman and Secretary General Chin Peng of the Malayan Communist Party. Rahman, who lately appears to have taken a more determined stand against the Communists, is reported to be losing interest in seeing Chin Peng but has said he is willing to do so in a "final effort to knock sense into him."

Rahman has reiterated that in any meeting with the Communist leader, he is willing only to explain the government's 8 September amnesty and to listen to Communist suggestions on the government's offer. A Malayan official informed the American consulate general in Kuala Lumpur that Rahman plans to seek official approval from his own party--the Alliance which holds 51 of 52 elected seats in the Legislative Council--for the resumption of all-out war against the Communists if Chin Peng officially refuses to accept the amnesty. This resumption was ordered on 1 December by the Malayan government without reference to

the party after a heavy Communist attack in central Malaya.

A Communist press release of 17 November demanded a re-drafted agenda for the Rahman-Chin Peng talks and rejected the amnesty as set forth. Rahman, however, apparently has chosen to ignore this move in favor of a more official refusal.

The Communists' efforts to arrange the talks despite a clear conflict with the government on the purpose of the meeting indicate their continued desire to achieve some sort of recognition and thereby acquire greater scope for political activity and subversion. Regardless of the outcome of present arrangements, Communist efforts in this direction may be expected to continue.

Rahman leaves for London on 2 January for talks on self-government. The British high commissioner in Malaya announced on 30 November that progress toward self-government need not be retarded by Communist maneuvers.

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## Sudanese Independence

The Sudanese parliament's "declaration" of independence on 19 December has been accepted by Britain and Egypt in whose name the country has been governed since 1899. Uncertainty remains, however, whether the move will make unnecessary the convening of the international commission which was to supervise the process of Sudanese self-determination.

The declaration--a resolution requesting Britain and Egypt to recognize the independence of the Sudan--was passed unanimously after Prime Minister Azhari proposed to introduce it as a device to add prestige to his weakening cabinet. Opposition parties, however, are expected to continue to press for Azhari's removal in favor of a "national" coalition government.

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# CURRENT INTELLIGENCE WEEKLY SUMMARY

22 December 1955

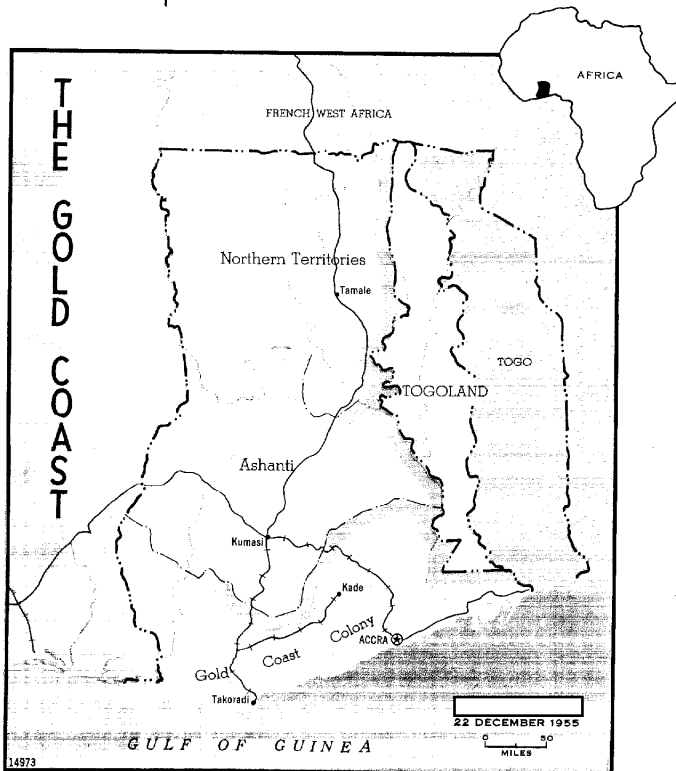
## Constitutional Crisis In Gold Coast

On the threshold of independence, the Gold Coast, Britain's West African colony, is faced with internal dissension over its future constitutional structure and the role of tribal authorities. Recent legislation has intensified demands of the opposition coalition for a decentralized federal system and has also apparently stalled the efforts of a British adviser to work out a compromise.

Tension has been mounting since September 1954, when the National Liberation Movement (NLM) was launched to press for a federal system of government. The native council of the important Ashanti region, the principal source of NLM support, threatened violence in November when the Legislative Assembly voted to bring subordinate chiefs more directly under the control of the central government controlled by Prime Minister Nkrumah's Convention People's Party (CPP). Explosions occurred at the residence of the prime minister in Accra and excitement ran high throughout Ashanti. The widespread disorders and an Ashanti secession attempt feared by the American consul general did not materialize, however, and by the end of the month the situation was reported somewhat eased. Nevertheless, press sources indicate that sporadic violence is continuing

in Ashanti at a higher than normal rate. Meanwhile, an important Northern Territories tribal council has declared it would oppose self-government for the Gold Coast and might even secede if the peoples of the Northern Territories are not given special arrangements to manage their own affairs.

The fundamental issue behind the bitterness over federalism is the character, organization and direction of the new Gold Coast state. The most influential and articulate of the diverse opposition elements are traditional tribal authorities and conservative African middle-class leaders who, with independence now in sight, are increasingly concerned over their future status in a unitary state.



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## CURRENT INTELLIGENCE WEEKLY SUMMARY

22 December 1955

dominated by the CPP. They dislike CPP leaders, whom they consider "upstarts," and fear the impact of the CPP's Western-inspired concepts of political and social organization on traditional values and institutions.

The attempts of the British constitutional expert invited by the Gold Coast government to facilitate discussions on the expansion of regionalism have so far failed. Since the passage of the controversial November legislation, the NLM and the Ashanti council have completely boycotted these consultations.

London, which has had high hopes for the Gold Coast's

early accession to Commonwealth membership, is concerned over the present situation. However, Britain considers itself no longer in a position to interfere in Gold Coast internal affairs and thus is unlikely to intervene unless there is a complete collapse of the authority of the central government.

If some reconciliation of basic issues is not made soon and the government persists in acts which inflame the opposition, the position of the seriously weakened CPP regime is likely to deteriorate further. Such a development could endanger the transfer of full sovereignty, which is widely anticipated by the beginning of 1957. [REDACTED]

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Greece

Political maneuvering is intensifying in Greece in anticipation of a royal proclamation dissolving parliament and a call for national elections. Elections, which would be required within 45 days, may be held as early as February. Prime Minister Karamanlis faces a hard election fight.

Karamanlis, without a popular mandate, has been unable to exploit the almost universal approval his appointment received in October. [REDACTED]

[REDACTED]

Victory in the elections for Karamanlis' new party is still probable, but its majority may be narrow. Developments on the Cyprus issue and the unresolved Greek-Turkish wrangle may seriously affect the prime minister's prospects. [REDACTED]

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Disaffection Growing in Argentina

New large-scale arrests and a report on the existence of a new "revolutionary movement" in Argentina suggest that the Aramburu government's forceful program to crush all sources

of Peron's former strength may be alienating part of its support from the military who served under Peron. Though President Aramburu still seems to have control, the arrests

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CURRENT INTELLIGENCE WEEKLY SUMMARY

22 December 1955

tend to belie the communiqués about unity within the regime which appears to be increasingly strained by interservice rivalries.

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Although Aramburu still appears in control, disunity within the regime could be exploited to force new changes among top government officials. Moreover, the government may be losing the psychological battle for popular support in view of the many rumors of possible antigovernment action by pro-Peronistas as well as by elements favoring Lonardi, who apparently retains considerable popular support.

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## CURRENT INTELLIGENCE WEEKLY SUMMARY

22 December 1955

## PART III

PATTERNS AND PERSPECTIVESTHE RIGHT-CENTER COALITION IN THE FRENCH ELECTION

In the three-cornered French election battle between the present government coalition, Mendes-France's Republican Front, and the Communists, the conservative Independent-Peasant bloc which forms the right wing of Faure's coalition will probably gain the greatest number of seats. This group, basically conservative, has shown considerable flexibility, particularly in recent months, on wage issues as well as in foreign affairs.

The conservative elements, which were in almost complete disrepute following the Liberation, had regained their old parliamentary pre-eminence by the end of the 1951-55 assembly. In 1946 and early 1947, France had been ruled by an uneasy Leftist alliance of Communists, Socialists and Popular Republicans. In mid-1947, when the Communists moved into open opposition and the Gaullist Rally branched off to the right, the Socialists and the Popular Republicans had to rely on the Radical Socialists to continue governing.

From then on the dominant parties of the prewar era slowly regained influence. As Radical prestige reasserted itself, the Socialists slid gradually into the opposition, and the Popular Republicans, despite their social and economic affinity for the Socialists, found themselves increasingly prisoners of the conservatives.

The 1951 election resulted in a big cut in Communist representation, but the non-Communist left was also weakened. The conservative forces held a majority, and it was only a matter of time until the Gaullists accepted cabinet responsibility. The government was then clearly dominated by the right.

Pinay's Conservative Bloc

In Faure's coalition, the conservative bloc, now headed by Foreign Minister Pinay and including his own Independent Party as well as the Peasants, Independent Peasants and the Gaullist Social Action Republicans, has consistently increased in strength and prestige in the outgoing assembly. The group, including a considerable number of the strongly conservative elements, such as rightist Peasant Antier and ex-Gaullist Barrachin, has been sufficiently flexible on major issues to adjust to coalitions shading slightly to the right or slightly to the left. Mendes-France's attempts in the present campaign to make a clear division between non-Communist left and right have had the effect of further strengthening the bloc.

Pinay's economic policies, which have tended to lead his party and the whole bloc away from outright standpattism, have been called the right center's answer to Mendes-France. While Pinay's approach differs in method and is more conservative in tempo than that of Mendes-France, it is also directed at the eventual realization of a dynamic free-enterprise system.

Pinay is trying to compete with Mendes-France's appeal to youth. He has advocated a cut in military conscription, and suggested the possibility of granting young married couples state loans which could be partially amortized through special allowances for the birth of children. In foreign affairs, he backs the Atlantic Community and the European integration concept.

The right wing of the Independents, as well as the

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**SECRET****CURRENT INTELLIGENCE WEEKLY SUMMARY**

22 December 1955

more deeply conservative groups with whom they have allied, balk at some of Pinay's views.

**The Extreme Right**

The extreme right of the Faure coalition is made up of the ex-Gaullist Social Action Republicans. Pinay induced the latter to break with De Gaulle's Rally in 1952, and they have since participated in all the right-center governments.

The other of the two ex-Gaullist groups, the Social Republicans, leans much farther to the left in economic policy, but still clings to Gaullist concepts in its opposition to European integration and its strong nationalism. Although it is at odds, therefore, with the Faure-Pinay foreign policy, three fourths of it is now allied with the government coalition for the election.

The outlook is not bright for either Gaullist party in this campaign. Although many

Gaullist deputies have personal followings, they depended to a large extent in 1951 on De Gaulle's prestige, and much of their support is expected to be spread over all the non-Communist groups, the bulk of it going to the Independents.

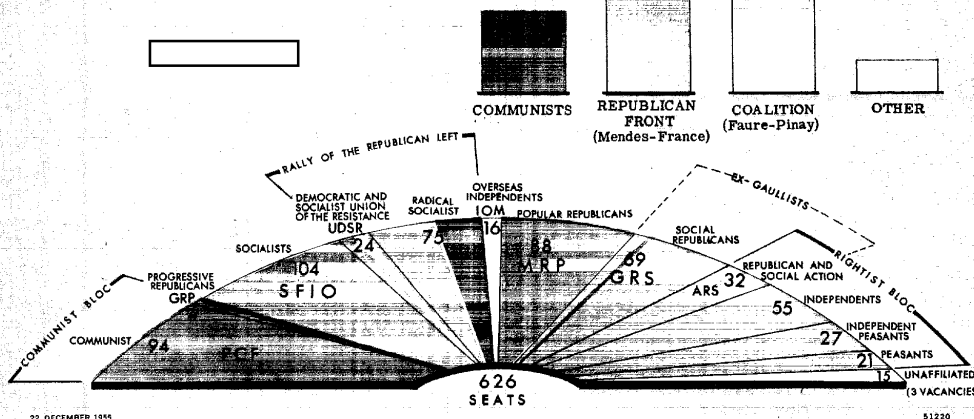
All elements of the conservative bloc, but particularly the right wing, will probably lose votes to the many electoral lists being run by the Poujade antitax movement and by extreme nationalists. These groups are expected to be strong enough in 15 or 20 districts to block a Pinay-Faure majority, thereby making proportional representation mandatory and assuring the Communists some seats they would otherwise have lost. This extreme right, however, will probably win no more than 12 or 15 seats itself and will probably not prevent substantial gains by the Pinay forces.

**The Radical Socialists**

The right-wing Radicals, who under Premier Faure are

## FRENCH NATIONAL ASSEMBLY

APPROXIMATE LINE-UP OF MAJOR BLOCS  
IN THE 2 JANUARY 1956, ELECTIONS.

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**SECRET****CURRENT INTELLIGENCE WEEKLY SUMMARY**

22 December 1955

aligned with the conservatives, are generally in accord with the Pinay program for economic reform. Faure, himself an advocate of a program similar to that of Mendes-France, moreover is closely identified with the country's present wave of prosperity. He has already played on this as a promise of a better living standard in an effort to win support for parliamentary reform permitting easier dissolution of the assembly to ensure government stability. Faure's strong position on the Atlantic Alliance places him very close to Pinay on foreign affairs, and the premier seems to have won Pinay over to the government's present North Africa policy.

The position of the Radicals in the right-center coalition has been weakened, however, by the split between Faure and Mendes-France. The party has long used to advantage its lack of cohesiveness and its consequent ability to represent standpattism in some areas and enlightened reform in others. The split, however, formalizes the left-right differences within the party and, for this election at least, has resulted in two separate parties.

The Radical strength in the next assembly will depend on whether the split is patched up, but Mendes-France's bitter attacks on right-center foreign policy and the business interests supporting the conservatives may have permanently alienated his own right wing. Personal antagonisms resulting from his expulsion of Faure, René Mayer and other prominent Radicals will make future party solidarity more difficult.

**Popular Republicans**

From a postwar position of strength comparable to that of the Communists, the Popular Republicans have lost ground

consistently, especially to the Gaullists. They have had the continuing problem of trying to "face toward the left" and participate at the same time in right-center coalitions.

On economic issues they mesh more easily with the Socialists, but they line up with the right and the Gaullists in support of state subsidies to church schools. Moreover, their continued participation in rightist-dominated governments leaves them open to the charge of sliding to the right.

To counter these charges, the Popular Republicans in their congress last May directed their efforts toward conciliating the Socialists. The church-school issue was soft-pedaled and a secretary general known to favor a rapprochement with the Socialists was elected. Although they have been unable to make any alliances with the Socialists in this campaign, The Popular Republicans have refrained from aligning against them in some areas in the hope of avoiding a complete break with the left.

The party's platform calls for political and economic reform aimed at "reconstruction of parliamentary prestige" and expansion of the economy with state aid. In foreign affairs "independence within interdependence" for North Africa is the slogan, along with a revival of European integration and the preservation of the East-West detente through diplomatic negotiation.

George Bidault, the Popular Republican leader most directly identified with the party's domination over foreign policy in the present assembly, appears to be in near eclipse as a prominent party figure. Robert Schuman, its other former foreign minister, seems to have regained considerable prestige after a temporary eclipse, but the

**SECRET**

**SECRET****CURRENT INTELLIGENCE WEEKLY SUMMARY**

22 December 1955

party's chief spokesman now appears to be Pierre Pflimlin, finance minister in the Faure cabinet.

General Prospects

The inconsistencies in policy aims and programs that appear within the right-center coalition will probably prevent it from realizing a workable majority in the elections. Its inability to form broad alliances is causing Pinay considerable concern, and is expected to contribute to an increase in Communist strength.

It appears, in any event, that the coalition will move more clearly into a moderate rightist position in the new assembly since its strength will rest on the gains made by the conservative bloc, particularly Pinay's Independent Party. It will still, however, be unable to govern without some support from the non-Communist left, the situation which was responsible for the instability of the outgoing assembly. [REDACTED]

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TRANSPORTATION AND UTILITIES IN BERLIN

West Berlin, situated 110 miles inside the German Democratic Republic (GDR) and thus subject to complete or partial Communist interdiction of its vulnerable supply lines from the West, is again being subjected to intermittent harassment by the East Germans. While the USSR has notified Western powers that in practice the USSR will continue to assume responsibility for free access to West Berlin of Allied garrisons and their supplies, GDR spokesmen assert control over all other movement by road, rail, and waterway between Western Germany and Berlin. Their immediate objective appears to be initiation of East-West German talks at cabinet-minister level as a form of de facto recognition.

Roads

Buses and trucks are the most important of the various means of transport between West Germany and Berlin. In 1954, when access was relatively free of harassment, 41

percent (2,604,000 metric tons) of all goods taken into West Berlin and 54 percent (528,000 metric tons) of that coming out was carried on the highways.

There are four roads designated for interzonal highway traffic within East Germany between West Berlin and the Federal Republic. All are in good condition, with the exception of one bridge over the Elbe at Dessau, which is under repair. The main highway connection is the Helmstedt Autobahn, which extends from West Berlin past Potsdam to Brunswick and Hanover in the German Federal Republic. Other routes used are Highway No. 5 to Hamburg, and the Hof and Wartha-Herleshausen Autobahns.

Of these four routes, only the Helmstedt Autobahn is clearly mentioned in an Allied-Soviet agreement as available for Western use. The other three are available for the West only by sufferance of the Communists. The four

**SECRET**

**SECRET****CURRENT INTELLIGENCE WEEKLY SUMMARY**

22 December 1955



accounted for 35 percent (2,256,000 metric tons) of the tonnage brought in- to Berlin and 24 percent (236,000 metric tons) of that taken out in 1954.

German passenger trains to West Berlin move over four specified rail routes. Allied trains and all freight trains are restricted to the Helmstedt-Marienborn line, and empty cars are returned to the Federal Republic via Oebisfelde.

Locomotives are in short supply in East Germany and are mostly of ancient vintage. This lack of adequate equipment affects Western traffic since all trains from the Federal Republic, including Allied passenger and freight trains, are moved by East German locomotives while in the GDR. Rails in

East Germany are worn and uneven, and wooden ties in the roadbed have been burned and weakened in many places by the inferior type of brown coal which slips through locomotive fire grates.

There are 13 freight trains from the Federal Republic to Berlin daily, authorized by a 1945 agreement between the Western Allies and the USSR. These 13 trains include all Allied military freight traffic. There are also 10 German, two American and one British passenger trains a day and two French military trains per week. The 13 inbound freight trains have a maximum carrying capacity per train of 800 tons.

interzonal highways are under control of the East German police. The border check points of the Helmstedt Autobahn, however, are under Soviet control.

In 1954, 941,644 West German vehicles used the four highways--of which 312,091 were trucks, 41,652 buses, 433,314 passenger cars and 154,587 motorcycles--with 57 percent of them traveling the Helmstedt Autobahn. East Germany taxes all these vehicles and exercises a direct control over the flow of traffic by its border checks.

**Rail**

The second most important transport medium, the railroads,

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**SECRET****CURRENT INTELLIGENCE WEEKLY SUMMARY****22 December 1955**

Since 1948, East Germany has been building an outer freight ring avoiding West Berlin, to permit its trains to go around instead of through the Western sectors. At the present time the ring is probably adequate for most of the freight traffic to East Berlin that would normally have used the West Berlin yards, even though the ring has not been completed and one detour must still be used. In addition to the rail lines themselves, extensive shunting facilities are being developed to replace the Western sector freight yards normally used by the East German railroads in Berlin.

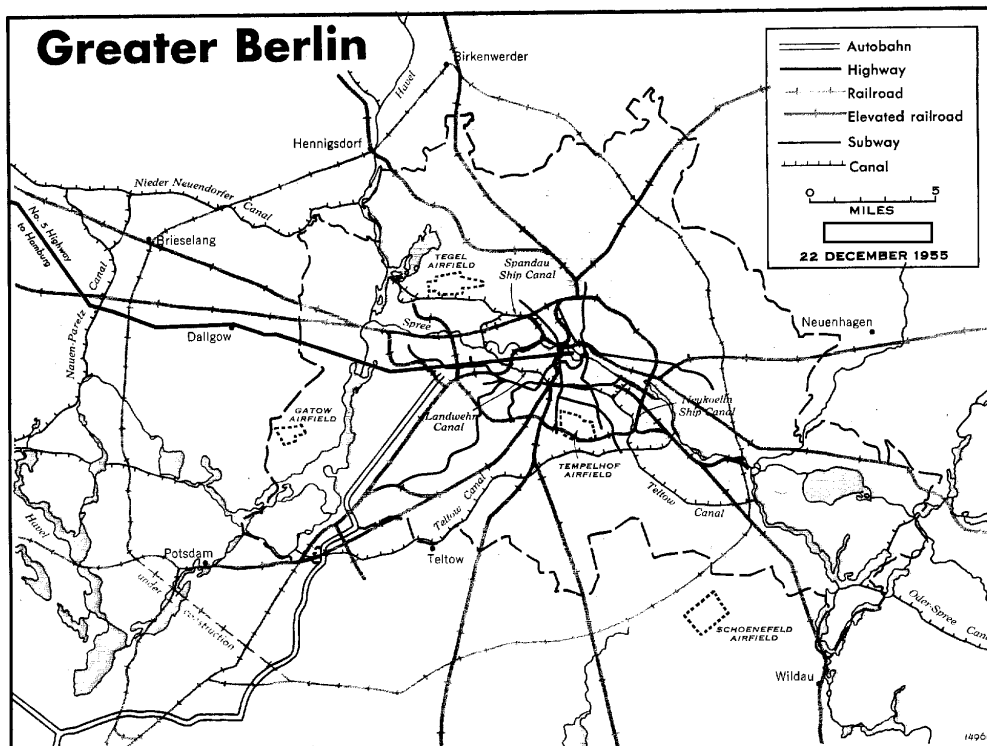
**Water**

Water transportation in 1954 accounted for 23 percent (1,425,000 metric tons) of the tonnage brought into West Berlin and 19 percent (181,000 metric tons) of that taken out.

Water transportation is used primarily for bulk goods such as fuels, building materials, iron and grain. The average transit time from the Ruhr to Berlin via the Mittelland system is about six days for self-propelled craft and 12 days for barges under tow.

The volume of barge traffic is subject to wide seasonal fluctuations because of freezing of waterways, high water in spring and low water from September to December. In 1954, 10,647 barges moved between West Berlin and the Federal Republic. During the same year, 13,327 East German barges carried 2,843,270 tons of goods through West Berlin.

The principal canals connecting the Elbe and Oder Rivers pass through the Western sectors of Berlin, thus providing through access to many points of East and West Germany,



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## CURRENT INTELLIGENCE WEEKLY SUMMARY

22 December 1955

the North and Baltic Seas, Poland and Czechoslovakia. The principal routes are the Havel and Elbe Rivers, and the Mittelland Canal system. Eastern water connections are made either through the Havel River and the Hohenzollern Canal or via the Spree River and the Oder-Spree Canal to the Oder River, which forms part of the border of Poland.

The East German authorities built the Paretz-Niederneudorf Canal in 1951-52 to bypass Berlin to the West. However, barges used by East Germany range from 500 to 1,500 tons in size, and this canal can accommodate only those displacing 600 tons or less. The larger barges must use waterways within Berlin, including the Upper and Lower Havel and the Spree Rivers, the Teltow and Landwehr Canals, and the Spandau and Neukoelln ship canals.

The most important lock on the East German waterways is the Rothensee Shiplift, which has been the site of serious interruptions in water transport. It has been closed from time to time (once for nearly a year) on the pretext of needing repairs, effectively disrupting barge traffic on the Weser-Elbe portion of the Mittelland system.

The East German canal system is under the control and supervision of the GDR Inland Waterways Directorate, which charges anchorage fees for all vessels in these waterways. East-West German barge movements have been subject to control procedures agreed to between Great Britain and the Soviet Union in 1951, the basic waterways agreement being renewed each year until December 1954 when the USSR turned the matter over to the East Germans. At present, 1,600 West German barges are licensed for interzonal transport.

Air

Air transport is used for 3 percent (33,000 metric tons) of the goods moved from West Berlin to the Federal Republic. The city's air connections with the West are of particular significance because they are the only means of transport not susceptible to East German control.

All flights between West Berlin and the Federal Republic must use three air corridors established by agreement of the four powers in 1945. All Western commercial lines presently use Tempelhof, which is located in the American sector of Berlin and is the largest of the Berlin airports. Other fields are Gatow, used by the British, Tegel, a French airfield, and Schoenefeld, located outside of East Berlin.

The use of the corridors and the Berlin circle--the area around Berlin in which aircraft maneuver for landing--is restricted to planes of the Allied powers and is subject to procedures and rules established by the quadripartite Air Safety Center, the only four-power body still functioning in the city. The supervision of operations in East German air space outside the three corridors is legally in the hands of GDR authorities, and nonmilitary carriers such as the Czech, Polish, Bulgarian and Soviet airlines are licensed to operate and land at Schoenefeld. For all practical purposes, however, the Soviet authorities control the air space.

In addition to military air traffic of the three Western powers, three airlines (American, British and French) provide service between Berlin and the Federal Republic, currently operating a total of 230 passenger flights a week out of Tempelhof.

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## CURRENT INTELLIGENCE WEEKLY SUMMARY

22 December 1955

**CONFIDENTIAL**Transportation  
In Berlin

After the political split of Berlin in the fall of 1948, the city transport company (BVG) was divided into Eastern and Western administrations on 1 July 1949. East-West bus transportation was discontinued at that time, and in January 1953, streetcar service between the two parts of the city was stopped, leaving only the subway and elevated trains operating between the sectors.

The elevated system is independent of the BVG, being under the East German railway directorate. It extends outside the city into East Germany, and serves 125 stations within Berlin, 74 of which are in the West sector. East German Transport Police claim control over these 74 stations and have from time to time exercised their authority.

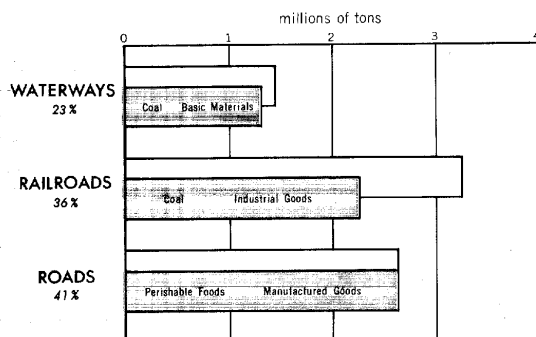
When the BVG was split in 1949, about 60 percent of the subway trains and streetcars and 75 percent of the buses were kept by the BVG in West Berlin. In 1954, the BVG West served 566,600,000 passengers, of which 50 percent traveled by streetcar, 23 percent by subway and 27 percent by bus.

Surface transportation includes 40 separate streetcar lines with a total of 270 miles of track in the Western sectors. The BVG West has 405 double-decker and 50 smaller buses, serving 44 lines in West Berlin which total 305 miles in length.

The only BVG service which operates between East and West

**WEST GERMAN - BERLIN COMMERCE**

1954



□ CAPACITY      ■ UTILIZATION

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Berlin is the subway, and the control and operation of the track and service is divided between the two administrations, depending on the location of the line. The subway system is constructed roughly in the shape of a square and comprises five lines which total 47 miles in length, of which about 68 percent is in the Western sectors. The subway car pool totals about 800 units, of which approximately 714 are in use.

Motor traffic within the city of Berlin has become increasingly heavy during the past years, and in 1954, 100,599 vehicles were registered in the West sectors. These motor vehicles move between East and West Berlin with relative freedom, being subject to control and search by both West Berlin and Communist customs authorities and border police.

Other Utilities in Berlin

The gas, water, electric power and telephone lines operate independently in East and West Berlin. The East and West sectors use a common sewer system. Other matters, such as police controls and fire

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